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October 28, 2015

Mr. Tim Prevost Manager of Wet Weather Programs ALCOSAN 3300 Preble Avenue Pittsburgh, PA 15233-1092

Re: Comments on "Starting at the Source" Technical Report

## Dear Tim:

Correspondence dated August 28, 2015 from Arletta Scott Williams (as a transmittal letter accompanying ALCOSAN's "Starting at the Source" Technical Report) requested that written municipal comments to that report be submitted to your attention by November 1, 2015. As such, please accept my comments as follows:

It is interesting to note that the report did not allude to the 7 or so communities tributary to the ALCOSAN system that have modified "Z" agreements that specify allowable quantities of Infiltration/Inflow. For example, MATSF's agreement with ALCOSAN, executed in 1983, provides for an allowance of 600 GPIMD of I/I on a quarterly basis. It is my understanding that the criteria for other "newer" communities that connected to ALCOSAN after 1987 is 300 GPIMD/quarter. Unless I missed something, the closest related reference in the report was a statement on page 3-19 that states "For most of ALCOSAN's retail customers, the ALCOSAN charges for sewer service ("transport and treat" costs) are based on billed water consumption with no accounting for the amount of I/I. So there is no financial incentive for municipalities to remove I/I from their systems." While that statement may be true for the vast majority of the ALCOSAN tributary communities, the report, in my opinion, should specifically identify those communities with special I/I provisions in their agreements with ALCOSAN, the specific criteria (i.e. 300 GPIMD or 600 GPIMD) along with a summary as to metering and excess I/I calculation methodology for those programs. Also, some if not all, of those agreements have been amended to allow municipalities to create internal municipal escrow accounts for excess I/I

"penalties". Those funds are then to be utilized by the respective community for studies and projects related to reduction of I/I. As for MATSF and the Robinson Run communities of Oakdale, North Fayette, and McDonald, the "escrow" concept replaced direct payments to ALCOSAN for excess I/I in mid-1996. In turn, the communities are to submit an annual cost certification report to ALCOSAN tracking the escrow balance and also providing information associated with the use of those funds. Specific to MATSF, since the initiation of the escrow program, just over \$2.464 Million Dollars have been set aside for studies, investigations and physical work associated with I/I reduction. In reality, MATSF has spent more than \$1.36 Million over and above that amount since mid-1996 on these I/I reduction activities.

Therefore, based on the above, ALCOSAN does have a limited program for the "newer" tributary communities that, by way of the mandatory escrow accounts, incentivize those communities to reduce I/I, in lieu of making penalty payments to ALCOSAN. I am not implying that this methodology is necessarily the model that might or should be used by ALCOSAN system-wide in the future, but it certainly should be recognized within the context of the "Starting at the Source" Technical Report.

Do not hesitate to contact me with any questions that you might have regarding these comments or regarding the specifics of the methodology associated with calculation of excess I/I under the terms of MATSF's existing agreement with ALCOSAN.

Sincerely,

THE MUNICIPAL AUTHORITY OF THE TOWNSHIP OF SOUTH FAYETTE

Jerry D. Brown Managing Director

CC: MATSF Board South Fayette Township

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